

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	TRANSMITTAL NUMBER	STATE
	94-12	Missouri
	PROGRAM IDENTIFICATION Title XIX	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	PROPOSED EFFECTIVE DATE February 2, 1994	

TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE NEXT 4 BLOCKS IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

FEDERAL REGULATION CITATION
42 CFR 447


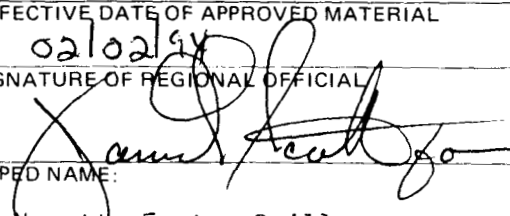
NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A Page 4, and 20A (Replacement) Page 4a (new)	NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT Attachment 4.19-A Page 4, and 20A
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SUBJECT OF AMENDMENT

Inpatient Hospital Services Reimbursement Plan change implemented to be effective during the January - March 1994 quarter. Plan changes to update reference to 42 CFR Part 413 and to provide for a children's hospital safety net payment.

GOVERNOR'S REVIEW (Check One)

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *JP* ☐ OTHER, AS SPECIFIED:
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

SIGNATURE OF STATE AGENCY OFFICIAL  TYPED NAME: Gary J. Stangler TITLE: Director, Department of Social Services DATE: March 30, 1994 RETURN TO: Division of Medical Services P.O. Box 6500 Jefferson City, MO 65102-6500	FOR REGIONAL OFFICE USE ONLY	
	DATE RECEIVED 03/31/94	DATE APPROVED AUG 28 2001
	PLAN APPROVED - ONE COPY ATTACHED	
	EFFECTIVE DATE OF APPROVED MATERIAL 02/02/94	
	SIGNATURE OF REGIONAL OFFICIAL  TYPED NAME: Nanette Foster Reilly TITLE: Acting ARA for Medicaid & State Operations REMARKS: <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"><p>3/30/94 3/31/94</p></div>	

D. Cost Report

A cost report details, for purposes of both Medicare and Medicaid reimbursement, the cost of rendering covered services for the fiscal reporting period. The Medicare/Medicaid Uniform Cost Report contains the form utilized in filing said cost report.

E. Allowable Costs

Allowable costs are those defined as allowable in 42 CFR, Chapter IV, Part 413, except as specifically excluded or restricted in this plan or the Medicaid provider manual. Penalties or incentive payments as a result of Medicare target rate calculations shall not be considered allowable costs. Implicit in any definition of allowable cost is that such cost is allowable only to the extent that it relates to patient care; is reasonable, ordinary and necessary; and is not in excess of what a prudent and cost-conscious buyer pays for the given service or item.

F. Non-Reimbursable Items

For purposes of reimbursement of reasonable cost, the following are not subject to reimbursement:

1. Allowances for return on equity capital for non-profit hospitals;
2. Amounts representing growth allowances in excess of the intensity allowance, profits, and/or efficiency bonuses.
3. Cost in excess of the principle of reimbursement specified in 42 CFR Chapter IV part 413; and
4. Costs or services or costs and services specifically excluded or restricted in this plan or the Medicaid hospital provider manual.

G. Reasonable Cost

The reasonable cost of inpatient hospital services is an individual hospital's Medicaid per-diem cost per day as determined by dividing allowable Medicaid inpatient costs by total Medicaid inpatient days including nursery days.

H. Trend Factor

The trend factor is a measure of the change in costs of good and services purchased by a hospital during the course of one (1) year.

I. Intensity Allowance

An intensity allowance, to permit growth in the level of care normally received by inpatient hospital recipients, for fiscal year 1985 and 1986 will be applied to all hospitals.

State Plan TN# 94-12
Supersedes TN# 87-12

Effective Date 6.6.2.1994
Approval Date AUG 28 2001

J. Children's Hospital

An acute care hospital operated primarily for the care and treatment of children under the age of eighteen (18) and which has designated in its licensure application at least sixty-five percent (65%) of its total licensed beds as a pediatric unit as defined in 19 CSR 30-20.021(4)(F).

State Plan TN# 94-12Effective Date FEB 2 1994Supersedes TN# N/AApproval Date AUG 28 2001

- D. In compliance with 42 CFR 447.253(b)(2), the Division of Medical Services shall make a finding each State fiscal year to ensure that estimated aggregate Title XIX payments do not exceed the estimated upper limits described in 42 CFR 447.272. Should the Division's finding indicate the estimated upper payment limit will be exceeded, the Division will take corrective action to reduce Title XIX payments to the estimated upper limit.
- XVIII. Safety Net Adjustment. A Safety Net Adjustment shall be provided for each hospital which qualified as disproportionate share under the provision of VI.D.3.(e) prior to the end of each state fiscal year.
- A. The Safety Net Adjustment shall be computed as follows:
1. The Safety Net Adjustment shall be equal to the lesser of charity care charges or total unreimbursed hospital charges. Unreimbursed hospital charges are computed as total hospital charges less patient revenues and UCACI adjustments computed in accordance with subsection XVI.B. In the case of nominal charge providers whose total charges are less than cost, total hospital costs shall be substituted for total hospital charges.
 2. If the aggregate cash subsidies (CS) are less than the matching amount required, the total aggregate safety net adjustment will be adjusted downward accordingly, and distributed to the hospitals in the same proportions as the original safety net adjustments.
 3. The data sources, reports and data definitions for determining the Safety Net Adjustments shall be the same as described in paragraph VI.A.2 and adjusted as may be described above. Hospitals which do not have a third prior fiscal year cost report described in paragraph VI.A.2. shall not be eligible for a safety net adjustment. No amended cost reports shall be accepted after the Division's annual determination of the adjustment amount.
 4. Adjustments provided under this section shall be considered reasonable costs for purpose of the determinations described in paragraph V.D.2.
- B. A safety net adjustment described in this section shall be available to a children's hospital.

**INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN - 94-12

REIMBURSEMENT TYPE: Inpatient hospital X

PROPOSED EFFECTIVE DATE: February 2, 1994

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for inpatient hospital services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. _____
2. With respect to inpatient hospital services - -
 - a. 447.253 (b) (1) (ii) (A) - The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs. _____
 - b. 447.253 (b) (1) (ii) (B) - If a state elects in its State plan to cover inappropriate level of care services (that is, services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing services or intermediate care services) under conditions similar to those described in section 1861 (v) (1) (G) of the Act, the methods and standards used to determine payment rates must specify that the payments for this type of care must be made at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861 (v) (1) (G) of the Act. _____

If the answer is "not applicable," please indicate:

-
- c. 447.253 (b) (1) (ii) (C) - The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality. _____
4. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:
- a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. _____
- b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. _____
- If there are no State-operated facilities, please indicate "not applicable:" _____
- c. 447.272 (c) - Aggregate disproportionate share hospital (DSH) payments do not exceed the DSH payment limits at 42CFR 447.296 through 447.299.
- d. Section 1923 (g) _ DSH payments to individual providers will not exceed the hospital-specific DSH limits in section 1923(g) of the Act. _____

B. State Assurances. The State makes the following additional assurances:

1. For hospitals - -
- a. 447.253 (c) - In determining payment when there has been a sale or transfer of the assets of a hospital, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate solely as a result of changes of ownership, more than payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital -indebtedness, return on equity)if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation.

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3. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. _____
 4. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. _____
 5. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. _____
 6. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. _____

Notice published on:

Feb. 1, 1994

If no date is shown, please explain:

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-
-
7. 447.253 (i) - The State pays for inpatient hospital services using rates determined in accordance with the methods and standards specified in the approved State plan. _____

C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: Hospital

For hospitals: The Missouri Hospital Plan includes DSH payments in the estimated average rates. However, the DSH payments included in the estimated average rates do not represent the total DSH payments made to hospitals under the Missouri Medicaid Plan.

RH-DSH included

Estimated average proposed payment rate as a result of this amendment:
\$ 647.05

Average payment rate in effect for the immediately preceding rate period:
\$647.05

Amount of change: \$0.00 Percent of change: 0.0%

Estimated DSH payments not in average payment rate as a result of this amendment: \$

Estimated DSH payments not in average payment rate immediately preceding amendment: \$

Amount of change: \$0.00 Percent of change: 0.00%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:
- (a) The availability of services on a statewide and geographic area basis:
This amendment will not effect the availability of short-term or long-term services.
 - (b) The type of care furnished: This amendment will not effect hospital services furnished to Medicaid eligibles.
 - (c) The extent of provider participation: This amendment will assure recipients have reasonable access taking into account geographic location and reasonable travel time to inpatient hospital services.
 - (d) For hospitals - - the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs:
It is estimated that disproportionate share hospitals will receive 100% of its Medicaid cost for low income patients with special needs.